

DRAFT ENVIRONMENTAL ASSESSMENT FOR HYDROPOWER LICENSE

St. Anthony Falls Hydroelectric Project

FERC Project No. 2056-016

Minnesota

Federal Energy Regulatory Commission
Office of Energy Projects
Division of Hydropower - Environment and Engineering
Washington, DC 20426

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SUMMARY

Northern Power Corporation (Xcel Energy [Xcel, licensee]) proposes to continue to operate the existing St. Anthony Falls Hydroelectric Project located on the Mississippi River in the city of Minneapolis in Hennepin County, Minnesota. The project has an installed generating capacity of 12.4 megawatts, generates about 79,518 MWh of electricity annually, and supplies part of the energy needs of Xcel, an electric utility organized under the laws of the state of Minnesota. The project consists of the Upper and Lower developments; however, only the Upper development has a hydroelectric generating plant. The Lower development power plant was demolished in 1988. Xcel proposes to remove the Lower development from the project boundary. The project does not use or occupy any Federal facilities or lands. The project is within the Mississippi National River and Recreation Area (MNRRA), a unit of the National Park System, but does not occupy lands designated for inclusion or for study in any wilderness areas or the National Wild and Scenic River System.

In this draft environmental assessment (DEA), we analyze the effects of continued operation of the project and recommend conditions for a new license. Based on our analysis, we recommend licensing the project as proposed by Xcel with some additional staff-recommended measures. Our staff recommendations include or are based, in part, on recommendations made by Federal and state resource agencies that have an interest in the resources that may be affected by the continued operation of the project.

Xcel proposes to: (1) continue to operate the project in a run-of-river mode; (2) for aesthetic purposes, maintain a minimum flow over the top of the main spillway at the Upper development which just covers the surface of the spillway; (3) develop, operate, and maintain a new park on upper Hennepin Island; (4) provide a combination canoe access, shoreline fishing structure, and public observation deck at the Lower development; and (5) remove the Lower development from the project boundary. Under Xcel's proposal, implementation of these measures would cost about \$1,504,520 annually and would result in a net annual benefit of \$925,910. The project would generate 79,400 megawatt-hours (MWh) of electricity annually.

The additional measures we recommend include: (1) a study to verify the minimum surface covering flow over the main spillway; (2) relocation of the Pillsbury substation and redeveloping a falls by diverting water over the natural ledge of rock in the East Bluff area; (3) development and implementation of an operational compliance plan; and (4) development and implementation of a recreation plan for the Upper development. We do not recommend Xcel be required to develop recreation facilities (parking, fishing access, and observation platform) at the Lower development. We also do not recommend that Xcel be required to contribute lands or monetary funds for the

development of a whitewater recreation park at the Lower development. Xcel's proposals with these additional staff-recommended measures would cost about \$1,558,430 annually and would result in a net annual benefit of \$872,000. Energy generation would be the same as Excel's proposal; 79,400 MWh of electricity annually.

We recommend these measures to protect and enhance water quality, fisheries, recreational, and cultural resources. In addition, the electricity generated from the project would be beneficial, because it would continue to reduce the use of fossil-fueled, electric generating plants; conserve nonrenewable energy resources, and continue to reduce atmospheric pollution.

The Minnesota Pollution Control Agency issued a state Water Quality Certification (WQC), pursuant to Section 401 of the Clean Water Act, for the St. Anthony's Falls Project on September 27, 1999. Our staff recommendations are consistent with the WQC conditions for this project.

Section 10(j) of the Federal Power Act (FPA) requires the Federal Energy Regulatory Commission (Commission) to include license conditions based on recommendations provided by the Federal and state fish and wildlife agencies to adequately and equitably protect, mitigate damages to, and enhance fish and wildlife (including spawning grounds and habitat) affected by the project. The Minnesota Department of Natural Resources (MDNR) and the U.S. Department of the Interior (Interior), Fish and Wildlife Service (FWS) filed recommendations for the protection, mitigation, and enhancement of fish and wildlife resources. All staff recommendations are consistent with those of the resource agencies, made within the scope of Section 10(j), as discussed in sections VII, *Comprehensive Development* and VIII, *Recommendations of Fish and Wildlife Agencies*, of this EA.

Under Section 18 of the FPA, Interior requests that the Commission reserve authority for Interior to request fishways at the project as may be necessary during the term of any licenses issued. We recommend including in any license issued for the project, a reservation of authority for Interior to request fishways.

On the basis of our independent analysis, we conclude that issuing a new license for the St. Anthony Falls Project, with the environmental measures that we recommend, would not be a major federal action significantly affecting the quality of the human environment.

